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FM AMCONSUL CALCUTTA
TO RUEHC/SECSTATE WASHDC PRIORITY 1346
INFO RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1236
RUEHBI/AMCONSUL MUMBAI 0512
RUEHCG/AMCONSUL CHENNAI 0512
RUEHKA/AMEMBASSY DHAKA 0321
RUCPDOG/DEPT OF COMMERCE WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEHRC/DEPT OF AGRICULTURE USD FAS WASHINGTON DC
RHEFDHP/DIA DHP-1 WASHINGTON DC
RUEAIIA/CIA WASHDC
RHHMUNA/HQ USPACOM HONOLULU HI
RUEHCI/AMCONSUL CALCUTTA 1664

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SUBJECT: WEST BENGAL CM TO PROCEED MORE SLOWLY ON SEZS AFTER VIOLENCE
IN NANDIGRAM

REF: CALCUTTA 000011

¶1. (U) SUMMARY: Nandigram remained quiet, but tense, after weekend clashes that left 6 people dead. Government of West Bengal (GOWB) CM Bhuddadeb Bhattacharjee indicated that his party will re-examine the notice of land acquisition for the SEZ that triggered the violence. Bhattacharjee and his administration will go ahead with Special Economic Zone (SEZ) plans for West Bengal, but will proceed more slowly, trying to ensure that everyone, including villagers, understands how land acquisition for SEZs will proceed in the future. END SUMMARY.

¶2. (U) The situation in the village area of Nandigram appears to be calm after weekend violence killed six people and saw the burning of a Communist Party of India-Marxist (CPM) party office (reftel). Police are still unable to enter the villages in the area, as roads remain impassable to most vehicles.

¶3. (U) On January 10, GOWB CM Bhattacharjee conceded that his administration had "blundered" by issuing a notice of land acquisition at Nandigram. The Haldia Development Authority, which issued the notice, is headed by a local CPM party loyalist and strongman, and the notice that triggered the violence referred to areas of land in Nandigram that had been short-listed for conversion into an SEZ. Bhattacharjee made it clear that the GOWB would have to do a better job of consulting with locals and explaining the land acquisition procedure and land maps. He also indicated that the state would have to improve its rehabilitation package for people displaced by the acquisitions. Bhattacharjee said that he had begun a "political process to defuse the tension," and that the industrialization process will go forward.

¶4. (SBU) COMMENT: Bhattacharjee appears to understand that the process of land acquisition and industrialization needs to be more transparent. The fallout from Singur and Nandigram will impede his efforts somewhat, as the opposition now has a platform upon which to scrutinize the CPM's every move on land issues. In addition, implementing greater transparency at the local level may prove more challenging than it appears, as Ultra-Left opponents of SEZs are already identifying the locations of upcoming land acquisitions for their next battles.

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